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December 12, 1988

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

100 OF THE BEST AND BRIGHTEST WOMEN IN ADVERTISING/ MARKETING

Louise McNamee, president-chief operating officer of Della Femina, McNamee WCRS, saw her name added to the agency's title during 1988.

By Merle Kingman and Pat Sloan

Women have come a long way in the advertising business, but many realize how much farther as a group they have to go.

Louise McNamee got her name on the door at Jerry Della Femina's agency, now Della Femina, McNamee WCRS; Marcella Rosen earned a seat on the board of N W Ayer. Jane Newman stepped into the president's shoes at Chiat/Day, New York, while Mary Moore left Boston and what was HBM/Creamer to join Wells, Rich, Greene as vice-chairman.

"I think women are gaining the critical mass in advertising," says agency executive Laurel Cutler, but just wait. "Women are going to be just as strong in five to 10 years as men are now," she ventures.

As vice-chairman/director of marketing planning at FCB/Leber Katz Partners, New York, Ms. Cutler made news this year by adding the title of VP-consumer affairs at Chrysler Corp.

An accredited reader of tea leaves, Ms. Cutler also is among ADVERTISING AGE's 100 Best and Brightest Women. The Top 100 include 23 agency presidents, ceos, chairs, vice-chairs, co-founders or board members.

Some observers even go beyond Ms. Cutler's prediction and hold that women will not only achieve parity but will dominate the ad industry.

In "The Best Companies for Women," published this year by Simon & Schuster, Grey Advertising VP Jan Dorbis observed that women in their mid-30s are "ready to roll" and that "the real drama is going to come in the next 10 years."

Still, Ms. Dorbis wonders: "Are women actually going to be promoted to the highest levels?"

Barbara Kurka, Grey's director of personnel planning, is certain of the answer. "Ten years from now, advertising will be run by women," she states in the book.

Not all of AD AGE's 100 Best would agree with that. They generally took the view that power will be more evenly distributed, though not without a great deal of effort.

Beryl Seidenberg, senior VP-media, Smith/Green-

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McElligott leaving Fallon—P. 1
More changes at 'TV Guide'—P. 3
New season burns networks—P. 6
Coke takes theme worldwide—P. 64

ADVERTISING HALL of FAME

Industry pays honor to 3 giants

By STEVEN W. COLFORD

Sidney R. Bernstein, former editor and publisher of ADVERTISING AGE; the late Robert V. Goldstein, VP-advertising, Procter & Gamble Co.; and the late Ray Kroc, founder of McDonald's Corp., were elected last week to the Advertising Hall of Fame. The Hall of Fame, administered by the American Advertising Federation, is an all-industry honor for those people whose career contributions are especially significant.

The hall's 36-member Council of Judges initially chose 44 nominees; 22 judges made the final selections from a list of 20.

RAY KROC

SID BERNSTEIN

ROBERT GOLDSTEIN

For Mr. Bernstein, the honor represents the capstone to a 65-year career in which he continually emphasized the importance of advertising to the U.S. economy.

Mr. Bernstein has been with AA since its birth in 1930. He became managing editor in 1932 and editor in 1938, where he remained until 1957 when he moved to editorial director and subsequently publisher.

Currently, he's chairman of the executive committee of Crain Communications Inc., publisher of AA.

Rance Crain, president of Crain Communications and editor in chief of AD AGE, praised the selection as a fitting tribute to an industry legend.

"I can't think of a guy who's

(Continued on Page 66)

NEWSPAPER

December 12, 1988

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Fallon loses McElligott

By BOB GEIGER

Tom McElligott's decision to leave Fallon McElligott appears to be a severe, but not fatal, blow to one of the hottest agencies of the 1980s.

Mr. McElligott announced last week he was leaving the agency after a dispute over "the management of the agency regarding its creative direction."

There is, however, a meeting scheduled this week with Marvin Sloves, chairman-ceo of Scali, McCabe, Sloves, New York, to discuss the exact terms of Mr. McElligott's departure. Scali owns 80% of Minneapolis-based Fallon.

Mr. McElligott also admitted publicly last week that he's a recovering alcoholic but said it hadn't affected his work at the agency or his decision to leave *(see story at right)*.

"It's the most major blow [Fallon] could have," said Nancy Rice, partner at Rice & Rice and one of the original founders in 1981 (as executive art director) of Fallon McElligott Rice. She resigned in July 1985 when she left to form Rice & Rice with her husband, Nick.

But Fallon's clients, who'd fueled the agency's meteoric rise to $142 million in billings in the seven years since it opened its doors, said they plan to stick with the agency, though they regret losing Mr. McElligott's input as the agency's VP-creative director.

Just last Friday, Minnetonka Inc.'s Fragrance Marketing Group awarded the agency its estimated $3 million Vitabath bath-specialties account. The agency already handles the company's Foltene haircare line and Claire Burke home fragrances.

News of Mr. McElligott's substance abuse "was not surprising news to us," said Michael Steidle, general manager of FMG. "All our dealings with the agency have been with Pat Fallon. . . . Tom hasn't been involved with our account." Della Femina, McNamee

(Continued on Page 67)

McElligott confronts alcoholism

By BOB GEIGER

Tom McElligott had a side to his life that colleagues and clients never saw. Away from the crowd of Clios that made him one of the best-known and most respected creators of advertising during this decade, Mr. McElligott is an alcoholic.

In early August, when he entered Hazelden Foundation's treatment facility in Center City, Minn., rumors flooded the Twin Cities about what had caused this high priest of creativity, this son of an Episcopal minister, to seek help.

Whispers tabbed Mr. McElligott as "shattered" by the charges of sexism and bad taste in the so-called "Dinka" episode and able to make few decisions, and unsure of the ones he made.

And when news hit the street last week that he planned to leave Fallon McElligott for "personal reasons," many immediately and erroneously guessed that he'd been a drug abuser.

But Mr. McElligott said he's an "advertising junkie," and a recovering alcoholic who reached for help after alcohol began harming his personal—not professional—life in July, shortly after he finished a cam-

(Continued on Page 67)

Tom McElligott in the living room of his St. Paul, Minn., home.

Last Minute News

LBS readies media service

NEW YORK—LBS Communications is forming Montaigne Media Services, a division that initially will handle media planning and some print buying for Playtex. George Montaigne, former VP-media services at Playtex, will be president-ceo of the unit. Grey Advertising continues to handle TV buying for Playtex, which spent about $24 million last year on TV and about $5 million on print, according to Leading National Advertisers.

Nabisco schedules TV effort

EAST HANOVER, N.J.—Nabisco Brands plans to launch a multimillion-dollar corporate TV campaign. The longstanding plans for this campaign haven't yet been changed by the pending buyout of parent RJR Nabisco by Kohlberg Kravis Roberts & Co. Sources said Lowe Marschalk, New York,

(Continued on Page 8)

New 'network'

Independent TV outlets may unite for ads

By VERNE GAY

NEW YORK—Independent TV stations could band together as early as next year to create a mammoth commercial TV "network," attract national ad dollars and steer money away from the Big 3 networks and barter syndication.

The network would involve commercial time but not programming. Members would contribute a number of commercial units per evening, which then would be sold as part of a network buy.

The unnamed, unborn network is the brainchild of John Serrao, chairman of the Association of Independent Television Stations, and Preston Padden, president of INTV.

The effort represents the first such attempt by the independents to attract national money.

Messrs. Serrao and Padden hope to lure many of the nation's 245 independent TV stations to its ranks and to start operations as early as next summer, in time for the upfront TV buying season.

Details of the new network will be unveiled next month at the major trade convention for independent stations in Los Angeles.

The network will be a cooperative effort owned by the independents but operated by an outside party, its organizers said.

At least two major factors are fueling the new network idea.

First, Nielsen Media Research in May began to break out total viewing to independent TV stations in its network TV ratings reports.

> *"We don't like to have another party reselling our time. It goes against our grain."*
> **—INTV's Serrao**

That's the first time buyers could directly compare viewing of the independents nationally to the Big 3 networks and Fox Broadcasting Co., the organizers said.

Second, organizers of the new network hope to capitalize on a trend that has accelerated in recent months: the creation of "unwired" networks among independent TV stations by third parties.

With an unwired network, a third party buys commercial time on independent TV stations nationwide, then resells the time to advertisers at a markup.

There are now at least seven such networks. The biggest practitioner is the New York-based Independent Television Network, which controls most of the market.

"We don't like to have another party reselling our time," said Mr. Serrao, who also is VP-general manager at WATL, Atlanta. "It goes against our grain."

But not everyone is enamored of the unwired network trend. "We've looked at the unwired networks and have made a decision that they don't seem to work for us at the moment," said Bill Lynn, VP-corporate media director, Coca-Cola Co.

"They do give an advantage in pricing, but it doesn't seem to be any better than we do in spot," he said. "Yes, it may be an easier way to do business for some advertisers, but for us it's not."

Details such as billing and organization of the new group have yet to be resolved. If the organizers get a commitment from member stations next month, a third party to run the cooperative network will be sought, Mr. Serrao said.#

Burger King shifts could benefit Ayer

By SCOTT HUME and GARY LEVIN

Burger King Corp.'s latest marketing shuffle could be good news for N W Ayer, but the chain's franchisees still want to break up the $200 million ad account.

D. Dempsey

A. Lavely

Last week, Burger King announced the dismissal of Exec VP-Marketing Anthony M. Lavely, 45, and named C. Donald Dempsey, 42, to succeed him.

Mr. Dempsey has been serving as exec VP for Burger King's Northeastern division and previously served as the company's marketing chief.

Insiders had earlier reported that Mr. Lavely was on his way out (AA, Dec. 5).

A Burger King spokeswoman said the move didn't signal a change in the company's desire to consider "the option of another agency developing our new creative" (AA, Nov. 21).

Mr. Lavely reportedly had discussed the account with Foote, Cone & Belding, Chicago, an agency with which he'd worked previously, and was said to be considering FCB for the account (AA, Nov. 28).

But Mr. Lavely's troubles predated his apparent interest in switching agencies, sources said. Many franchisees considered him "unresponsive" and said they'd been wary of his lack of experience with hamburger marketing.

Mr. Lavely has worked for Kentucky Fried Chicken Corp., Jerrico's Long John Silver's Seafood Shoppes chain and Pillsbury Co.'s Quik Wok during his career.

The failure of Burger King's "Triple Jump Checkers" promotional campaign (AA, Sept. 19) was "the last nail in the coffin,"

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A-B shuffle puts heat on D'Arcy

By IRA TEINOWITZ

Anheuser-Busch is putting more pressure on D'Arcy Masius Benton & Bowles to improve creativity on the $110 million Budweiser account, following a brand management shake-up at the company.

The nation's largest brewer is shifting its successful Bud Light manager to its flagship Budweiser brand and importing an executive from DDB Needham Worldwide, Chicago, to take over Bud Light.

The moves strengthen A-B's ties to DDB Needham, which already handles Bud Light, Busch and the Michelob line, with billings last year of $110 million.

In the changes effective Dec. 13, Robert Gunthner, currently Budweiser senior brand manager, becomes VP, A-B International Corp., a new post; Joseph Corcoran, senior brand manager for Bud Light, becomes senior brand manager for Budweiser; and Robert Lachky, former management representative at DDB Needham on Busch and Bud Light, becomes senior brand manager for Bud Light.

A-B said the changes reflect its growing commitment to international sales. But beer industry sources suggested the concern really is with Budweiser, which represents two-thirds of A-B sales but which has seen its growth slow.

Budweiser this year is expected to grow about 2% in volume from an industry-leading 50.4 million barrels last year. That exceeds industry growth levels of 1% this year, but it falls short of Budweiser's 3% growth in 1987.

"One percent may not sound like much, but at that level, it is half a million barrels," said Manny Goldman, a beer industry analyst with PaineWebber.

Industry sources say A-B believes DMB&B shoulders some of the blame for the slowdown and has told the agency it wants fresher creative concepts on the $110

(Continued on Page 66)

Ad Age wants the 'Best'

CHICAGO—Wanted: this year's best TV, print and radio advertising for inclusion in the ADVERTISING AGE Best of 1988 advertising competition.

Ads may be entered by advertisers, agencies or production houses. For entry forms and information, write AD AGE's Best of 1988, 740 Rush St., Chicago 60611, or call 800-233-3435. In New York state, call (212) 210-0209.

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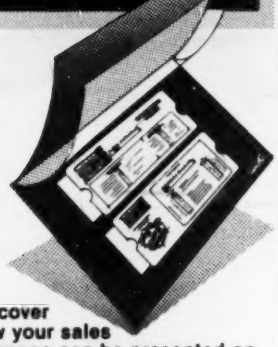

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TV networks feel early chill

By VERNE GAY

NEW YORK—Unit prices charged by the networks for commercials took a beating in October, and the biggest reason is the Writers Guild of America strike, which ended in August.

During October, the average network prime-time 30-second unit price was $95,970, a 24% drop from the record $125,400 average registered in October 1987. This drop helped push the networks' prime-time revenue down by $100 million for the month.

The softness of October prices apparently is a reflection of advertisers' unwillingness to support the mishmash of repeats and originals that filled schedules during the strike.

Virtually every show on the networks' October schedules suffered substantially lower unit prices, according to data recently turned over to Broadcast Advertiser Reports.

"The Cosby Show," the highest-priced program in October 1987 at $369,500 per :30, saw its rate fall 29%. The show had original episodes all month.

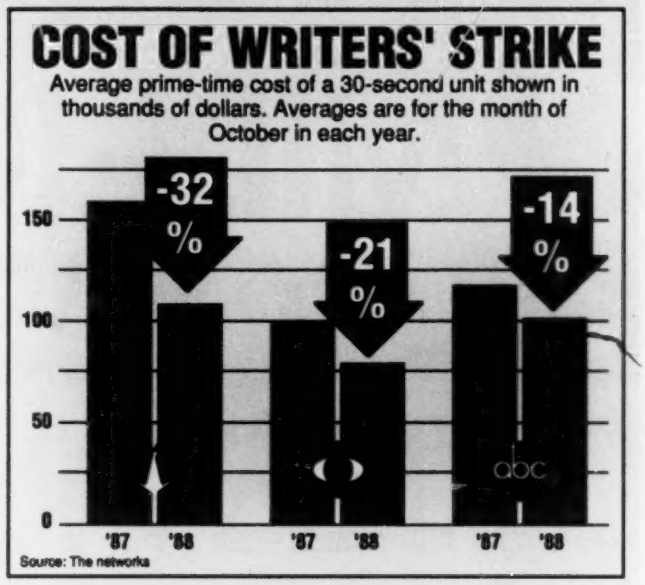
Among NBC's top shows only "ALF," at $161,000 a :30, had an increase. It went up 8%.

But the surprising loser on NBC's October books was Geraldo Rivera. His high-rated "Devil Worship" on Oct. 25 could muster only a $26,000 unit price. Many advertisers were spooked by the subject matter.

All three networks took a beating in the revenue column. Total prime-time ad sales for the month fell 23% to $325.2 million.

However, October's sales performance won't be representative of the entire year. Pricing has climbed as more original programs arrived.

Also, the networks enjoyed a record upfront sales period, soaking up more than $3.3 billion in total sales for the year. In addition, scatter—or short-term—sales have been relatively healthy.



JOHN HEILAND

But the effects of the 22-week strike were still being felt last month. During the November sweeps, the Big 3 networks had an average prime-time rating of 13.8 and a 23 share, according to final Nielsen Media Research figures released last week. The three-network average a year ago was a 14.4 rating and 24 share.

Other segments of the industry made gains in November. Fox Broadcasting Co. had a 6.8 average rating and 10 share on Sundays, up from a 5.9 rating and 10 share.

Independent TV stations had a 13.2 prime-time rating on about 245 stations, compared with a 12 rating.

NBC sold about $107 million in prime-time commercials in October, not including the final two days of the Summer Olympics or the World Series, according to BAR data. It sold $161.1 million for the same period in 1987. The drop this year was 34%.

NBC's average prime-time October :30 was $108,249, down 32%.

ABC sold $112.4 million in time, including "NFL Monday Night Football." That program accounted for more than a third of the total, which was down 16% from a year earlier.

The network's average :30 was $101,000, down 14%.

At CBS, gross prime-time sales were $105.8 million, an 18% drop. The network's average unit went for $78,700, down 21%.

Across the board, network shows clocked significantly lower unit costs, though NBC's experience was perhaps most dramatic.

"Cheers," which had only one episode in October, went for $300,000 a :30, down 2%. Other top shows included "The Golden Girls," $139,500 (down 24%); "L.A. Law," $205,500 (even); "Family Ties," $194,500 (down 11%); and "227," $89,000 (down 20%). Except for "L.A. Law" and "Family Ties," the shows were original for most of the month.

The top-priced CBS show for the month was "Knots Landing," which had its first original episode Oct. 27. A :30 went for $146,500, up 15%. Other shows: "60 Minutes," $144,620 (down 10%); "Dallas," $124,110 (down 11%); "Newhart," $113,250 (down 24%); and "Murder, She Wrote," $92,850 (down 34%). Except for "60 Minutes," these shows were all repeats in October.

ABC's big winner for the month was "Who's the Boss?" at $173,014 per :30, down 12%. The show premiered Oct. 18. Other shows: "Roseanne" ($162,129) (new program); "Head of the Class," $145,554 (down 9%); "Growing Pains," $137,514 (down 40%); and "Wonder Years," $121,945 (new program). Except for "Wonder Years," these shows all bowed in the middle of October.#

New cereal takes comic twist

By JULIE LIESSE ERICKSON

Ralston Purina Co. is introducing a children's cereal that literally takes a page from the newspaper comics.

Called Morning Funnies, the cereal features comics on a box-length flap on the back of the package. It opens to reveal two more pages of cartoons—a total of eight on each package.

Ralston has signed creators of 10 leading strips to produce comics especially for Morning Funnies. The featured strips are "Beetle Bailey," "Dennis the Menace," "Family Circle," "Funky Winkerbean," "Hagar the Horrible," "Hi & Lois," "Luann," "Marvin," "Tiger" and "What a Guy."

New strips will be rotated into the mix on a regular basis.

The presweetened cereal is shaped in small discs with smiling or laughing faces. The pieces come in blackberry, cherry, orange and peach flavors.

Ralston will support the introduction with a $15 million marketing program; about half of that will go to media advertising.

Morning Funnies will be shipped to some markets later this month; coupons break in those markets in early January, followed by TV and print in February.

Initial markets are believed to be on the West Coast. Ralston expects the product to be national by the end of January.

Noble-Tennant, Chicago, is the agency for Morning Funnies, the shop's first new Ralston account since 1986, when Fruit Islands cereal was introduced.

Morning Funnies continues Ralston's pattern of gimmicky children's cereals set by such 1988 entries as Dinersaurs and Dunkin' Donuts.

Like General Mills, General Foods Corp.'s Post division and Quaker Oats Co., Ralston has struggled to keep up with the steady stream of new products and heavy ad schedules of industry leader Kellogg Co.

Ralston's share of the $5.5 billion ready-to-eat cereal market—like that of General Mills, Quaker and Post—has dropped, to 5.3% from 5.8% for the 12 months ended July 31, said Timothy Ramey, an analyst for County Securities. Kellogg has continued to gain.#

Gary Levin in New York contributed to this story.

CORRECTIONS & CLARIFICATIONS

- The photos of Don Davidson and Norm Pattiz were inadvertently switched in two stories featuring their perspectives on outdoor and radio, respectively (AA, Nov. 28, S-13 and S-16).
- Morris Saffer, chairman of Saffer Advertising, Toronto, who was profiled in AA (Oct. 31, P. 52), is 48 years old, not 58.
- A data bank chart on the top 20 magazines in single-copy sales (AA, Oct. 24, P. S-32) should show *Vogue* as No. 19 with single-copy sales of 781,319 and *Soap Opera Digest* as No. 20 with 756,703.
- Lisa P. Foster joined Trendata as VP, from SAMI/Burke (AA, Oct. 17, P. 48.#

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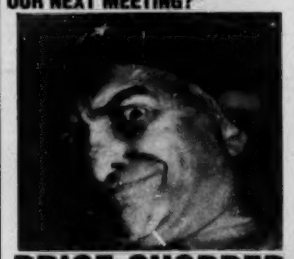

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